PRICE PER CHANNEL for systems with 1,000 subscribers and 25 or more channels

Weighted and Adjusted for Franchise Fees and Equipment

Total channels on regulated tiers:

Satellite Channels v	25	30	35	40	45	50	55	60	65	70	75	80	85	90	95	100	Satellite Channels v
0	$0.605	$0.515	$0.449	$0.399	$0.359	$0.327	$0.301	$0.278	$0.259	$0.243	$0.228	$0.216	$0.204	$0.194	$0.185	$0.177	0
5	$0.712	$0.605	$0.528	$0.469	$0.422	$0.385	$0.353	$0.327	$0.305	$0.285	$0.268	$0.253	$0.240	$0.228	$0.218	$0.208	5
10	$0.763	$0.649	$0.566	$0.503	$0.453	$0.412	$0.379	$0.351	$0.327	$0.306	$0.288	$0.272	$0.257	$0.245	$0.233	$0.223	10
15	$0.795	$0.676	$0.590	$0.524	$0.472	$0.430	$0.395	$0.365	$0.340	$0.319	$0.300	$0.283	$0.268	$0.255	$0.243	$0.232	15
20	$0.818	$0.696	$0.607	$0.539	$0.486	$0.442	$0.406	$0.376	$0.350	$0.328	$0.309	$0.291	$0.276	$0.262	$0.250	$0.239	20
25	$0.837	$0.712	$0.621	$0.551	$0.497	$0.452	$0.416	$0.385	$0.358	$0.335	$0.316	$0.298	$0.282	$0.268	$0.256	$0.244	25
30		$0.725	$0.632	$0.562	$0.506	$0.461	$0.423	$0.392	$0.365	$0.342	$0.321	$0.303	$0.288	$0.273	$0.261	$0.249	30
35			$0.642	$0.570	$0.514	$0.468	$0.430	$0.398	$0.371	$0.347	$0.326	$0.308	$0.292	$0.278	$0.265	$0.253	35
40				$0.578	$0.521	$0.474	$0.436	$0.403	$0.376	$0.352	$0.331	$0.312	$0.296	$0.281	$0.268	$0.256	40
45					$0.527	$0.480	$0.441	$0.408	$0.380	$0.356	$0.335	$0.316	$0.300	$0.285	$0.271	$0.259	45
50						$0.485	$0.446	$0.412	$0.384	$0.360	$0.338	$0.319	$0.303	$0.288	$0.274	$0.262	50
55							$0.450	$0.416	$0.388	$0.363	$0.342	$0.323	$0.306	$0.291	$0.277	$0.265	55
60								$0.420	$0.391	$0.366	$0.345	$0.325	$0.308	$0.293	$0.279	$0.267	60
65									$0.394	$0.369	$0.347	$0.328	$0.311	$0.295	$0.282	$0.269	65
70										$0.372	$0.350	$0.330	$0.313	$0.298	$0.284	$0.271	70
75											$0.352	$0.333	$0.315	$0.300	$0.286	$0.273	75
80												$0.335	$0.317	$0.302	$0.288	$0.275	80
85													$0.319	$0.304	$0.289	$0.276	85
90														$0.305	$0.291	$0.278	90
95															$0.293	$0.280	95
100																$0.281	100

PRICE PER CHANNEL for systems with 10,000 subscribers and 25 or more channels

Weighted and Adjusted for Franchise Fees and Equipment

Total channels on regulated tiers:

Satellite Channels v	25	30	35	40	45	50	55	60	65	70	75	80	85	90	95	100	Satellite Channels v
0	$0.603	$0.513	$0.447	$0.397	$0.358	$0.326	$0.299	$0.277	$0.258	$0.242	$0.227	$0.215	$0.203	$0.193	$0.184	$0.176	0
5	$0.709	$0.603	$0.526	$0.467	$0.421	$0.383	$0.352	$0.326	$0.303	$0.284	$0.267	$0.252	$0.239	$0.227	$0.217	$0.207	5
10	$0.760	$0.646	$0.564	$0.501	$0.451	$0.411	$0.377	$0.349	$0.325	$0.305	$0.287	$0.271	$0.256	$0.244	$0.232	$0.222	10
15	$0.792	$0.673	$0.587	$0.522	$0.470	$0.428	$0.393	$0.364	$0.339	$0.317	$0.298	$0.282	$0.267	$0.254	$0.242	$0.231	15
20	$0.815	$0.693	$0.604	$0.537	$0.484	$0.440	$0.405	$0.375	$0.349	$0.327	$0.307	$0.290	$0.275	$0.261	$0.249	$0.238	20
25	$0.833	$0.709	$0.618	$0.549	$0.495	$0.450	$0.414	$0.383	$0.357	$0.334	$0.314	$0.297	$0.281	$0.267	$0.255	$0.243	25
30		$0.722	$0.630	$0.559	$0.504	$0.459	$0.422	$0.390	$0.363	$0.340	$0.320	$0.302	$0.286	$0.272	$0.259	$0.248	30
35			$0.639	$0.568	$0.512	$0.466	$0.428	$0.398	$0.369	$0.346	$0.325	$0.307	$0.291	$0.276	$0.264	$0.252	35
40				$0.576	$0.518	$0.472	$0.434	$0.402	$0.374	$0.350	$0.329	$0.311	$0.295	$0.280	$0.267	$0.255	40
45					$0.525	$0.478	$0.439	$0.406	$0.379	$0.354	$0.333	$0.315	$0.298	$0.284	$0.270	$0.258	45
50						$0.483	$0.444	$0.411	$0.383	$0.358	$0.337	$0.318	$0.301	$0.287	$0.273	$0.261	50
55							$0.448	$0.415	$0.386	$0.362	$0.340	$0.321	$0.304	$0.289	$0.276	$0.264	55
60								$0.418	$0.390	$0.365	$0.343	$0.324	$0.307	$0.292	$0.278	$0.266	60
65									$0.393	$0.368	$0.346	$0.327	$0.310	$0.294	$0.280	$0.268	65
70										$0.371	$0.349	$0.329	$0.312	$0.296	$0.283	$0.270	70
75											$0.351	$0.331	$0.314	$0.299	$0.285	$0.272	75
80												$0.334	$0.316	$0.300	$0.286	$0.274	80
85													$0.318	$0.302	$0.288	$0.275	85
90														$0.304	$0.290	$0.277	90
95															$0.291	$0.278	95
100																$0.280	100

INSTRUCTIONS FOR IDENTIFYING THE APPROPRIATE BENCHMARK RATE FROM THE TABLES IN ATTACHMENT A

1. Each table is split between two pages. For example, the table for 50 subscribers has a first page showing the benchmark rate for 5-24 channels and 0-24 satellite channels. The second page for the table with 50 subscribers shows the benchmark rate for 25-100 channels and 0-100 satellite channels. Select the table with the number of subscribers closest to the number of subscribers on your system. Note that all systems with 10,000 or more subscribers will use the tables for systems with 10,000 subscribers.

2. If the total number of channels on the regulated tiers and the total number of satellite channels on those regulated tiers for your community unit equals the channels displayed in the selected table, use the indicated benchmark rate per channels.

3. If either the total number of channels on the regulated tiers or the total number of satellite channels on those regulated tiers for your community unit does not equal the channels displayed in the selected table, you may determine your benchmark rate per channel by using the Commission's formula, or you can perform one of the following calculations.

   a. If the total number of satellite channels on the regulated tiers equals the satellite channels (rows), but the total number of channels on the regulated tiers does not equal the total channels (columns), you must do the following calculations:

   Go to the row with your number of satellite channels. Go across the row until you reach the rates for the next fewer and next greater total number of channels than on your community unit. Subtract the lower rate per channel from the higher rate per channel. Divide this difference by 5 to obtain the per channel rate increment. For each channel on your community unit that is greater than the number of channels displayed in the table, subtract the incremental per channel rate from the rate per channel in the box with the next fewer number of total channels to obtain the benchmark rate per channel.

   For example, consider a community unit with 50 subscribers on the system, 10 satellite channels, and 27 channels in total. For 10 satellite channels and 25 total channels the benchmark rate per channel (from the table) is $0.880. The benchmark rate per channel for 10 satellite channels and 30 total channels is $0.748 (from the table). The difference between these two benchmark rates is $0.132. The per channel rate increment is $0.026 ($0.132/5 = $0.026 per channel). The benchmark rate per channel for this community unit is obtained by subtracting two times $0.026 from $0.880. Thus, the benchmark rate per channel for this community unit is $0.828 = ($0.880 - (2 x $0.026)).

   b. If the total number of channels on the regulated tiers equals the total channels (columns) but the total number of satellite channels on the regulated tiers does not equal the total satellite channels (rows), you must do the following calculation:

   Go to the column with your number of total channels. Go down the column until you reach the rates for the next fewer and next greater total number of satellite channels than on your community unit. Subtract the lower rate per channel from the higher rate per channel. Divide this difference by 5 to obtain the per channel rate increment. For each satellite channel on your community unit that is greater than the number of channels displayed in the table, add the incremental per channel rate to the rate per channel in the box with the next fewer number of total channels to obtain the benchmark rate per channel.

   For example, consider a community unit with 50 subscribers on the system, 12 satellite channels, and 30 channels in total. For 10 satellite channels and 30 total channels the benchmark rate per channel (from the table) is $0.748. The benchmark rate per channel for 15 satellite channels and 30 total channels is $0.779 (from the table). The difference between these two benchmark rates is $0.031. The per channel rate increment is $0.0062 ($0.031/5 = $0.0062 per channel). The benchmark rate per channel for this community unit is obtained by adding two times $0.0062 to $0.748. Thus, the benchmark rate per channel for this community unit is $0.760 = ($0.748 + (2 x $0.0062)).

   c. If both the total number of satellite channels and the total number of channels on the regulated tiers fall between the channels on the table, you must do the following calculation:

   Go to the two rows of satellite channels that are below and above, respectively, you number of satellite channels. Go across the rows until you reach the rates for the next fewer and next greater total number of channels than on your community unit. Compute rates per channel as per step a. above separately for the exact number of total channels for the two rows of satellite channels. Repeat step b. above using these two new rates per channel for the total number of channels to obtain the benchmark rate per channel

   For example, consider a community unit with 50 subscribers on the system, 12 satellite channels, and 27 channels in total. Perform step a. above for both 10 and 15 satellite channels. For 10 satellite channels and 25 total channels the benchmark rate per channel (from the table) is $0.880. The benchmark rate per channel for 10 satellite channels and 30 total channels is $0.748 (from the table). The difference between these two benchmark rates is $0.132. The per channel rate increment is $0.026 ($0.132/5 = $0.026 per channel). Therefore, the 10 satellite and 25 total channel rate of $0.880 is reduced by subtracting two times $0.026 from $0.880 to arrive at $0.828 ($0.880 - (2 x $0.026)) for a 10 satellite channel, 27 total channel benchmark rate. The same exercise is performed for 15 satellite channels at 25 and 30 total channels to arrive at a 15 satellite channel benchmark at 27 total channels. At 15 satellite and 30 total channels the price per channel is $0.916. At 15 satellite and 30 total channel the price per channel is $0.779. The difference is $0.137 (or $0.137/5 = $0.027/channel). So at 27 total channels, the rate for 15 satellite channels is $0.916 minus $0.054 (twice $0.027) or $0.862.

   There is now a range of $0.828/channel for 10 satellite channels and 27 total channels and $0.862 for 15 satellite also at 27 total channels. Perform step b. above using these new exact values for 27 total channels. The difference between $0.828/channel and $0.862/channel at 27 total channels is $0.034 (or $0.034/5 = $0.007/channel). For 12 satellite channels we add $0.014 (twice $0.007) to $0.828/channel to equal the benchmark rate of $0.842.

BENCHMARK FORMULA

The benchmark formula is the following:

$$LNP = 2.3509 + 7.3452\ (RECIPSUB) - 0.8878\ (LNCHAN) + 0.1006\ (LNSAT)$$

where

LNP = natural logarithm of the benchmark rate per channel;

RECIPSUB = 1/number of households subscribing to the cable system;

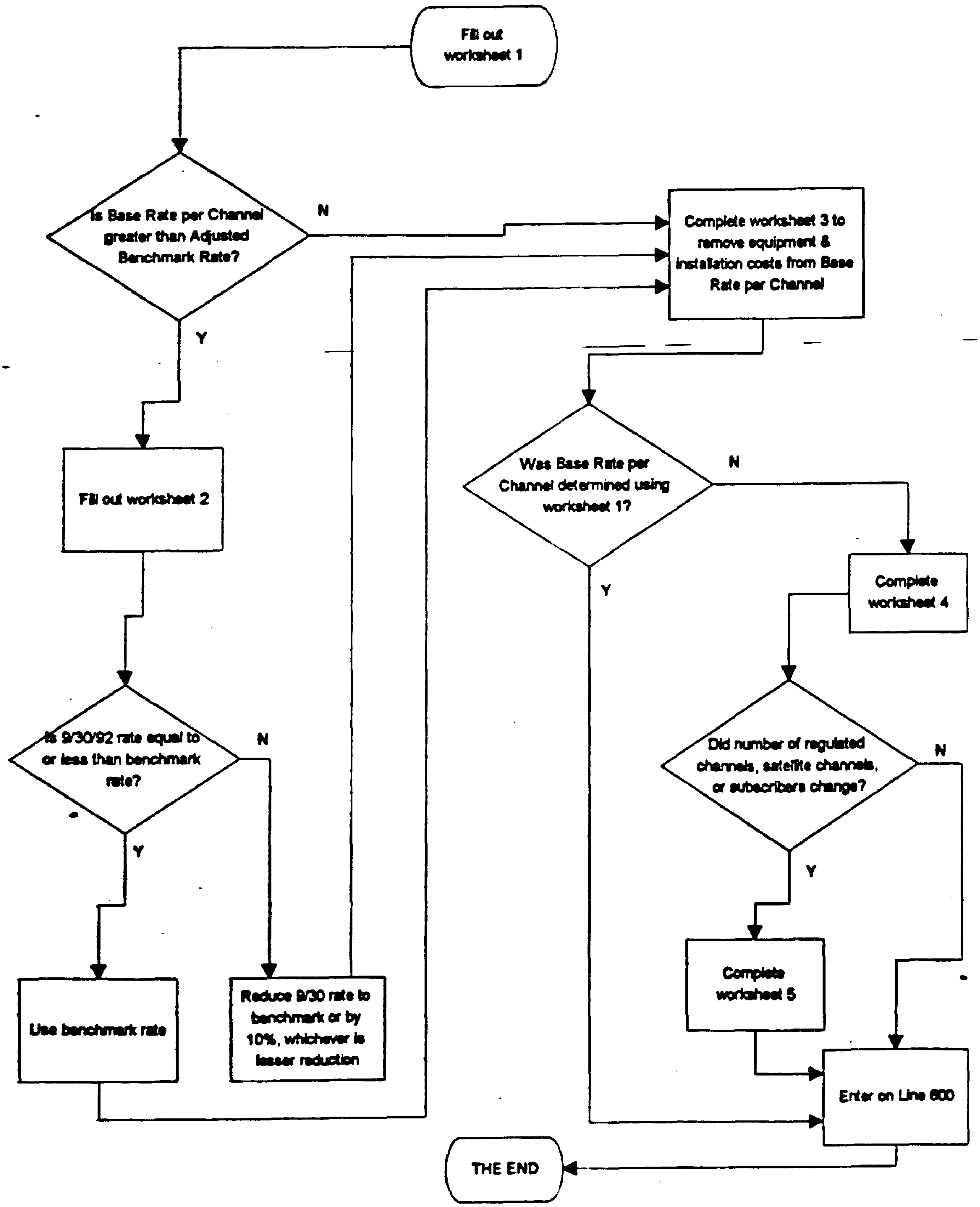
LNCHAN = natural logarithm of the ~~number of~~ channels in use in all regulated tiers of service;

LNSAT = natural logarithm of the number of satellite-delivered channels in all regulated tiers of service.

To calculate your benchmark per-channel rate, insert the reciprocal of the number of subscribers to your system, the natural logarithm of the number of channels of basic and cable programming service, and the natural logarithm of the number of satellite channels of basic and cable programming service into the equation and take the antilogarithm of the result. Note that you should use the number of channels and satellite channels in the franchise area but the number of subscribers to the whole system.

Attachment B

DETERMINATION OF MAXIMUM ALLOWABLE BENCHMARK RATE



FCC FORM 393 – PART III
WORKSHEET FOR CALCULATING EQUIPMENT AND INSTALLATION CHARGES

Cable Operator Name:	Community Unit ID (CUID):		
	Date		
Franchise Authority:	This form is being filed for (check one):	☐ Basic Tier	☐ Cable Programming Service

STEP A. Hourly Service Charge

LINE 1. Annual cost of maintenance and installation of cable facilities and services (exclude purchase cost of customer equipment) (Box 1 of Schedule A + Box 2 of Schedule B)	$
LINE 2. Customer equipment and installation percentage (attach explanation)	%
LINE 3. Annual customer equipment maintenance and installation costs, excluding cost of leased equipment (Line 1 x Line 2)	$
LINE 4. Total labor hours for maintenance and installation of customer equipment and service (attach explanation)	hrs.
LINE 5. Hourly service charge (HSC) (Line 3 / Line 4)	$ /hr.

STEP B. Installation Charge

LINE 6. Uniform HSC for all installations (insert amount from Line 5)	$
OR	
LINE 7. Average charge for installation type (see Schedule D for average installation charge calculations)	
a. Unwired home installation (Schedule D, Line a.2.)	$
b. Prewired home installation (Schedule D, Line b.2.)	$
c. Additional connection installation at time of initial installation (Schedule D, Line c.2.)	$
d. Additional connection installation requiring separate installation (Schedule D, Line d.2.)	$
e. Other installations (specify): (Schedule D, Line e.2.)	
Item 1.	$
Item 2.	$

STEP C. Charges for Leased Remotes (Calculate separately for each significantly different type and attach additional sheets as necessary)

LINE 8. Annual capital costs (Column J of Schedule C)	$
LINE 9. Total maintenance/service hours (attach explanation)	hrs.
LINE 10. Total maintenance/service cost (Line 5 x Line 9)	$
LINE 11. Total cost of remote (Line 8 + Line 10)	$
LINE 12. Number of units in service (Column I of Schedule C)	
LINE 13. Unit Cost (Line 11 / Line 12)	$
LINE 14. Rate per month (Line 13 / 12 months)	$ /mo.

STEP D. Charges for Leased Converter Boxes (Calculate separately for each significantly different type and attach additional sheets as necessary)

LINE 15. Annual capital costs (Column J of Schedule C)	$
LINE 16. Total maintenance/service hours (attach explanation)	hrs.
LINE 17. Total maintenance/service cost (Line 5 x Line 16)	$
LINE 18. Total cost of converter box (Line 15 + Line 17)	$
LINE 19. Number of units in service (Column I of Schedule C)	
LINE 20. Unit cost (Line 18 / Line 19)	$
LINE 21. Rate per month (Line 20 / 12 months)	$ /mo.

STEP E. Charges for Other Leased Equipment

LINE 22. Annual capital costs (Column J of Schedule C)	$
LINE 23. Total maintenance/service hours (attach explanation)	hrs.
LINE 24. Total maintenance/service costs (Line 5 x Line 23)	$
LINE 25. Total cost of equipment item (Line 22 + Line 24)	$
LINE 26. Number of units in service or number or subscribers (Column I of Schedule C)	
LINE 27. Unit Cost (Line 25 / Line 26)	$
LINE 28. Rate per month (Line 27 / 12 months)	$ /mo.

STEP F. Charges for Changing Service Tiers or Equipment

LINE 29. Nominal charge for changing service tiers **OR**	$
LINE 30. Uniform HSC for changing service tiers (Insert amount from Line 5) **OR**	$
Line 31. Average charge for changing service tiers (Line 5 x Average hours to change tiers)	$

STEP G. Franchise Area Monthly Equipment and Installation Costs for Adjustment of Regulated Service

LINE 32. Annual customer equipment and installation costs (Line 3 + Box 3 of Schedule C)	$
LINE 33. Adjustment of Line 32 to franchise area level: See Instructions. Attach explanation of adjustment method.	$
LINE 34. Monthly equipment and installation cost (Line 33 / 12 months). Enter on Worksheet 3, Line 301.	$

INSTRUCTIONS FOR EQUIPMENT AND INSTALLATION CHARGES

These instructions will take you step-by-step through the calculations needed to determine the maximum rates you may charge for regulated equipment and installation. You should submit this form to the local franchising authority (or, where relevant, the FCC) to calculate charges for equipment and service installation used to receive the basic service tier. Commission rules define this equipment as any customer equipment that is used to receive the basic service tier, even if that equipment is also used to receive other cable programming service tiers or unregulated services. This form will also be used by the Commission in reviewing complaints concerning charges for equipment and installation used to receive cable programming services.[1] Commission rules define equipment and installation used to receive cable programming services as all equipment and installation on a subscriber's premises that is used to receive either: (1) exclusively cable programming services; or (2) both cable programming services and pay per channel or pay per view programming. The information generated in Part III will also be used to remove equipment and installation costs from rates for regulated service.

You should complete this form using financial data from the company's general ledger and subsidiary records maintained in accordance with generally accepted accounting principles (as required in FCC accounting instructions in 47 C.F.R. § 76.924). The data may be identified at the level of corporate organization at which the records are kept, but for purposes of calculating service rates the data must be adjusted to the franchise area level. When there has been an unusual change in operations or where there would be no material difference in results, data from a representative month may be used for the calculation of rates, subject to acceptance by the local franchising authority or, when applicable, by the FCC.

Step A: Calculate the Hourly Service Charge.

The Hourly Service Charge (HSC) is designed to recover the costs of service installation and maintenance of customer equipment. The HSC will be used as a factor in developing permitted charges for installation and monthly lease of individual pieces of equipment. To calculate the HSC, you will compute your annual capital costs plus expenses for the maintenance of customer equipment and the installation of basic tier service. (The HSC excludes the purchase cost of customer equipment; these costs will be recovered in the charge for the specific categories of equipment in Steps C, D, and E below.) You will divide the total by the total number of person-hours spent in those activities over the past year.

Line 1. Enter the annual capital costs for equipment necessary for the maintenance and installation of cable facilities and cable services, plus operating expenses for maintenance and installation. Line 1 includes maintenance and installation costs for all cable facilities, not only customer equipment, if separate records are not kept for costs for customer equipment maintenance and installation service. You should determine the total annual capital costs and expenses by adding Box 1 of Schedule A (total annual capital costs) and Box 2 of Schedule B (total annual expenses, excluding depreciation). Instructions for completing these schedules are attached to the schedules.

Line 2. Enter the percentage of the costs and expenses entered in line 1 that is used for maintenance of customer equipment and customer installations used to receive the basic service tier only and multi-tier equipment. Please attach an explanation of how you arrived at this percentage.

Line 3. Multiply line 1 by line 2. The result will be your total annual capital costs and expenses incurred for maintenance of customer equipment and service installation used to receive the basic service tier.

Line 4. Calculate the total number of person hours that were spent on maintenance of customer equipment and service installation in the 12 month period ending at the close of the most recent accounting period. For new equipment, use an estimate. Attach an explanation or study for your calculations.

Line 5. Divide line 3 by line 4. The result is the HSC.

Step B. Calculate the Charge for Installation.

Step B allows an operator to elect whether to use a per hour rate for all installations or to use several average installation charges for different types of installations.

Line 6. If you elect to charge an hourly rate for installations, the rate shall be the HSC. Write the HSC of line 5 in line 6.

Line 7. If you choose to develop average installation charges, the charges shall be determined using Schedule D. Write the charges from Schedule D in lines 7a-7e (add more lines if necessary).

Step C. Calculate the Charge for Leased Remotes.

The rental charge for a remote control unit is designed to recover the costs of providing and maintaining that type of remote control unit leased by a subscriber and includes a reasonable profit. Commission rules require cable operators to calculate charges for each significantly different type of remote control unit. Therefore, you must repeat the calculations in lines 8-14 for each type of remote listed in Schedule C. Attach extra sheets as needed.

Line 8. List the total annual capital costs (depreciation, return on investment, and applicable taxes) of this type of remote. This amount is taken from the appropriate line of Column J on Schedule C (the line number will differ depending on the number of different types of remotes offered by the cable system). Instructions for completing Schedule C are attached to the schedule.

Line 9. List the number of hours you spend per year repairing and servicing this type of remote. Attach an explanation or study for your calculations.

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[1] For simplicity, the remainder of this form will refer to equipment and installation for basic tier service. When calculating charges for equipment and installation related to cable programming services, substitute the appropriate numbers relating to that equipment and installation.

Line 10. Multiply line 9 by the HSC listed in line 5. The result is the total annual cost for repairing and servicing this type of remote.

Line 11. Add line 8 and line 10. The sum is the total annual cost for this type of remote.

Line 12. List the total number of this type of remote that were in service on the last day you closed your books.

Line 13. Divide line 11 by line 12. The result is the annual unit cost of this type of remote.

Line 14. Divide line 13 by the number 12. The result will be the monthly cost of this type of remote. Line 14 will be the maximum monthly lease charge for this type of remote.

Step D. Calculate the Charge for Leased Converter Boxes.

The rental charge for a converter box is designed to recover the costs of providing and maintaining that type of converter box leased by a subscriber and includes a reasonable profit. Commission rules require an operator to calculate charges for each significantly different type of converter box. For example, an addressable converter box and a converter box that acts solely as a tuner would be considered significantly different. Therefore, you must repeat the calculations in lines 15-21 for each type of converter box listed in Schedule C. Attach extra sheets as needed.

Line 15. List the total annual capital costs (depreciation, return on investment, and applicable taxes) of this type of converter box. This amount is taken from the appropriate line of Column J on Schedule C (the line number will differ depending on the number of different types of converter boxes offered by the cable system).

Line 16. List the number of hours you spend per year repairing and servicing this type of converter box. Attach an explanation or study for your calculations.

Line 17. Multiply line 16 by the HSC listed in line 5. The result is the total annual cost for repairing and servicing this type of converter box.

Line 18. Add line 15 and line 17. The sum is the total annual cost for this type of converter box.

Line 19. List the total number of this type of converter box that were in service on the last day you closed your books.

Line 20. Divide line 18 by line 19. The result is the annual unit cost of this type of converter box.

Line 21. Divide line 20 by the number 12. The result will be the monthly cost of this type of converter box. Line 21 will be the maximum monthly lease charge for this type of converter box.

Step E. Calculate the Charge for Other Leased Equipment.

The rental charge for other equipment is designed to recover the costs of providing and maintaining that equipment leased by a subscriber and includes a reasonable profit. Other equipment would include, for example, cable home wiring. An operator is permitted, but not required, to calculate charges for each significantly different type of other equipment. An operator choosing to establish charges for different types of other equipment must repeat the calculations in lines 22-28 for each type of other equipment listed in Schedule C. Attach extra sheets as needed.

Line 22. List the total annual capital costs (depreciation, return on investment, and applicable taxes) of other leased equipment. This amount is taken from the appropriate line of Column J on Schedule C (the line number will differ depending on the number of different types of other equipment offered by the cable system).

Line 23. List the number of hours you spend per year repairing and servicing this other equipment. Attach an explanation or study for your calculations.

Line 24. Multiply line 23 by the HSC listed in line 5. The result is the total annual cost for repairing and servicing other equipment.

Line 25. Add line 22 and line 24. The sum is the total annual cost for other equipment.

Line 26. List either the total number of units for this type of other equipment or the number of subscribers using this equipment, whichever is applicable, that were in service or using this equipment on the last day you closed your books.

Line 27. Divide line 25 by line 26. The result is the annual unit cost of other equipment.

Line 28. Divide line 27 by the number 12. The result will be the monthly cost of other equipment. Line 28 will be the maximum monthly lease charge for other equipment.

Step F: Calculate the Charge for Changing Service Tiers or Equipment.

Charges for changing service tiers effected solely by coded entry on a computer terminal or by other similarly simple method shall be nominal. Enter your nominal charge in line 29. However, to prevent an uneconomic level of churn, an operator may propose an escalating scale of charges for customers changing service tiers more than two times in one year. If you choose to adopt such increased charges, please attach a list of the charges and an explanation of why these charges are reasonable. This list should also be attached to the cover sheet in Part I of this form.

Charges for changes in service tiers or equipment that involve more than the simple methods described above shall be at actual cost. To calculate this charge, you may use one of the two alternatives below.

Line 30. If you elect to charge an hourly rate for changing service tiers, the rate shall be the HSC. Write the HSC of line 5 in line 30.

Line 31. If you choose to develop an average charge for changing service tiers, multiply the HSC by the average time such changes take. Enter the result in line 31.

Step C. Calculate the Franchise Area Monthly Equipment and Installation Costs for Adjustment of Regulated Service Rates.

Equipment and service installation costs must be removed from charges for regulated service. To be consistent with the calculations of permitted rates, these costs must be presented at the franchise area level on a monthly basis.

Line 32. Add maintenance and installation costs for customer equipment from line 3 of Step A to capital costs for customer equipment from Box 3, Schedule C.

Line 33. Adjust line 32 to reflect equipment costs of the franchise area, if your accounting records are kept at a different level of organization. For example, if your accounting records cover franchise areas with similar subscriber equipment profiles, you may use a ratio of the number of subscribers in the franchise area to the total number of subscribers:

line 33 = line 32 x franchise area subscribers/subscribers represented in line 32.

Attach an explanation of the allocation method that you use.

Line 34. Divide line 33 by the number 12. The result will be the monthly equipment and installation cost to be entered on Worksheet 3 in Part II of this form, Line 301.

Notes:

1. Charge for Additional Connections.

Section 76.923(h) of the Commission's rules states that an operator shall recover the costs of installation of and equipment used with additional connections through the related equipment and installation charges. Step B calculates installation charges for additional connections, and Steps C, D, and E are used to calculate customer equipment charges, regardless of whether the equipment is used in conjunction with primary or additional connections.

An operator may also recover additional programming costs imposed by a program supplier for service to additional outlets, as well as the costs of any necessary signal boosters located on a customer's premises that are associated with the additional connection. These may be recovered as a separate monthly charge for the additional connections. The charge for any signal boosters shall be calculated separately using the instructions for Step E for other customer equipment. Attach extra calculations to the Equipment and Installation Form and cover sheet as necessary.

SCHEDULE A

CAPITAL COSTS OF SERVICE INSTALLATION AND MAINTENANCE OF EQUIPMENT

A Equipment	B Gross Book	C Accumulated Depreciation	D Deferred Taxes	E Net Book B-(C+D)	F Return on Investment	G Taxes		H Current Provision for Depreciation	I TOTAL (add F, G, H)
						Federal Income Tax	State Income Tax		
Vehicles									
Tools									
Maintenance Facility									
Other (specify)									
Other (specify)									
TOTAL									

Box 1

SCHEDULE B

ANNUAL OPERATING EXPENSES FOR SERVICE INSTALLATION AND MAINTENANCE OF EQUIPMENT

(Excluding Depreciation)

Salaries & Benefits	Supplies	Utilities	Other Taxes	Other (Specify)	Other (Specify)	TOTAL

Box 2

SCHEDULE C
CAPITAL COSTS OF LEASED CUSTOMER EQUIPMENT

A Equipment (add additional lines as necessary)	B Gross Book	C Accumulated Depreciation	D Deferred Taxes	E Net Book B-(C+D)	F Return on Investment	G Taxes		H Annual Depreciation Expense Provision on Investment	I TOTAL # of Units in Service	J TOTAL (add F, G, H)
						Federal Income Tax	State Income Tax			
Remote 1										
Remote 2										
Remote 3										
Converter Box 1										
Converter Box 2										
Converter Box 3										
Other Equipment										
TOTAL										

Box 3

SCHEDULE D
AVERAGE INSTALLATION CHARGES

Cable Operator Name:	Community Unit ID (CUID):
	Date:
Franchise Authority:	This form is being filed for (check one): ☐ Basic Tier ☐ Cable Programming Service

a. Unwired Home Installation:	
1. Average Hours per Installation (attach explanation)	hrs.
2. Unwired Home Installation Charge (Line a.1 x HSC)	$
b. Prewired Home Installation:	
1. Average Hours per Installation (attach explanation)	hrs.
2. Prewired Home Installation Charge (Line b.1 x HSC)	$
c. Additional Connection Installation at Time of Initial Installation:	
1. Average Hours per Additional Connection (attach explanation)	hrs.
2. Additional Connection - Initial Installation Charge (Line c.1 x HSC)	$
d. Additional Connection Installation after Initial Installation:	
1. Average Hours per Additional Connection (attach explanation)	hrs.
2. Additional Connection - Separate Installation Charge (Line d.1 x HSC)	$
e. Other Installation (by Item Type):	
Item 1. (Specify)	
1. Average Hours per Installation (attach explanation)	hrs.
2. Item 1 Installation Charge (Line e.1 x HSC)	$
Item 2. (Specify)	
1. Average Hours per Installation (attach explanation)	hrs.
2. Item 2 Installation Charge (Line e.2 x HSC)	$
Item 3. (Specify)	
1. Average Hours per Installation (attach explanation)	hrs.
2. Item 3 Installation Charge (Line e.3 x HSC)	$

NOTE: For HSC (Hourly Service Charge) use amount from Line 5 of the Worksheet for Calculating Equipment and Installation Charges , page 25 of FCC Form 393.

INSTRUCTIONS FOR SCHEDULE A
ANNUAL CAPITAL COSTS ASSOCIATED WITH MAINTENANCE AND INSTALLATION OF CABLE FACILITIES AND SERVICE

1. Schedule A computes the capital costs for equipment necessary for maintenance and installation of cable facilities and cable service. It does not incl the annual capital costs of customer premises equipment such as remotes and converter boxes included in Schedule C. (See instructions below.)

2. Column A lists the types of equipment for which capital cost information is required (including equipment owned and equipment held under capita financing leases), such as vehicles and tools, and including other equipment used for installation and maintenance, which you may specify on the fo Maintenance facility refers to buildings, tools, and equipment necessary for the repair and maintenance of vehicles and equipment.

3. Column B requires you to state the gross book value for the categories listed in Column A as of the date you last closed your books.

4. Column C requires you to give the accumulated depreciation and amortization for each category of equipment on the gross book values listed in Colu B as of the date used for Column B entries.

5. Column D requires you to give the deferred tax balance associated with the plant categories listed in Column A. (Generally, such amounts result from use of faster depreciation write-offs for tax purposes than for financial reporting purposes.) Entities that do not pay income taxes (e.g., sole-proprietorshi partnerships, and subchapter S corporations) may not include an amount in this column.

6. Column E requires you to give the net book values for each category in Column A (Column B minus the sum of Columns C and D).

7. Column F allows for a reasonable return to be calculated by multiplying the investment listed in Column E by a reasonable rate of return. The Report a Order states that the Commission will consider up to 11.25% as a not unreasonable rate of return. If you choose a rate of return that is higher than 11.25 you must attach a justification for your choice.

8. Column G allows for federal and state income taxes payable by the cable entity. To allow for a reasonable after-tax rate of return, it may be based on t grossed-up federal and state tax rates in effect. (The grossed-up rate is calculated as: Tax Rate / (1 - Tax Rate)). Entities that do not pay income taxes (e. sole proprietorships, partnerships, and subchapter S corporations) may not include an amount in this column.

9. Column H requires you to list the annual depreciation expense for each category of equipment in Column A.

10. Column I requires you to add Columns F, G, and H.

11. Add the totals in Column I and enter in Box 1.

INSTRUCTIONS FOR SCHEDULE B
ANNUAL OPERATING EXPENSES ASSOCIATED WITH MAINTENANCE AND INSTALLATION OF CABLE FACILITIES AND SERVICE, EXCLUDING DEPRECIATION

Schedule B includes all annual operating expenses, excluding depreciation and amortization on capital and financing leases, for installation and maintenan of facilities and service for the 12 months ending as of the date you last closed your books. This schedule requires you to list your operating expenses, includir salary and benefits, supplies, utilities, other taxes and any other applicable expenses. Other expenses included must be identified. The total is the sum of a operating expenses for installation and maintenance and should be entered in Box 2.

INSTRUCTIONS FOR SCHEDULE C
CAPITAL COSTS OF CUSTOMER EQUIPMENT

1. Schedule C includes the purchase cost of leased customer equipment, including acquisition price and incidental costs such as sales tax, financing and storag up to the time it is provided to the subscriber.

2. In Column A list all customer equipment for which there is a separate charge, including different models of remote control units, different types of convert boxes, and other equipment. List separately each type of other equipment for which you plan to develop a separate charge.

3. In Column B give the gross book value of the listed equipment. The gross book value includes the cost of spare customer equipment that the operator keep on hand for new customers or as replacement for broken equipment.

4. List the accumulated depreciation and amortization in Column C for each equipment category in Column A.

5. Column D requires you to give the deferred tax balance associated with the plant categories listed in Column A. (Generally, such amounts result from th use of faster depreciation write-offs for tax purposes than for financial reporting purposes.) Entities that do not pay income taxes (e.g., sole proprietorship partnerships, and subchapter S corporations) may not include an amount in this column.

6. Column E requires you to give the net book values for each category in Column A (Column B minus the sum of Columns C plus D).

7. Column F multiplies a reasonable rate of return by the investment listed in Column E. The Report and Order states that the Commission will consider up to 11.25% as a not unreasonable rate of return. If you choose a rate of return that is higher than 11.25%, you must attach a justification for your choice.

8. Column G allows for federal and state income taxes payable by the cable entity. To allow for a reasonable after-tax rate of return, it may be based on the grossed-up federal and state tax rates in effect. (The grossed-up rate is calculated as: Tax Rate / (1 - Tax Rate)). Entities that do not pay income taxes (e.g. *sole proprietorships, partnerships, and subchapter S corporations) may not include an amount in this column.*

9. Column H requires you to list the annual depreciation expense for each category of equipment in Column A.

10. Column I requires you to give the total number of units in service for leased remotes and converter boxes. For other leased equipment, list the total number of units in service or the total number of subscribers using this equipment, whichever is appropriate.

11. Column J requires you to add Columns F, G, and H.

12. Add the totals in Column J and enter in Box 3.

INSTRUCTIONS FOR SCHEDULE D

Schedule D is used only if you choose to charge averaged rates for service installations. If you choose this option, you must calculate an averaged rate for several types of installations.

Schedule D calculates four separate average charges that the Commission requires for an operator choosing this option. These average charges are for: (a) installations of unwired homes; (b) installations of already wired homes; (c) installations of additional connections at the time of initial installation; and (d) installations of additional connections after initial service installation. An operator may calculate, using the same methodology, average charges for other specific types of installations such as those requiring extra long drops to the home. Add additional lines as needed.

To calculate an average installation charge, multiply the Hourly Service Charge (HSC) by the average number of hours it takes for that type of installation. Attach an explanation or study describing how you arrived at the average time for that type of installation.

CERTIFICATE OF SERVICE

I, Marianne C. Lynch, certify that I have this 28th day of April, 1994, sent by regular United States mail, postage prepaid, a copy of the foregoing "Petition for Waiver of Paragraph 98 of the Third Order on Reconsideration in Docket No. 92-266" to:

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* Hand delivered